



NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Social Science Community Newsletter

Volume 6, February 2016 ~ Sharing knowledge for better practices

National Natural Capital Summit: The Culmination of Four Regional Roundtables

On February 2, 2016, the Department of Commerce (DOC) held the National Natural Capital Summit. The Summit was the culmination of four regional business roundtables led by NOAA and the Economics and Statistics Administration (ESA). These events occurred in the Gulf of Mexico, Great Lakes, Northeast and Silicon Valley earlier this year. The roundtables and the summit brought together leading companies, non-governmental organizations, academic institutions and local, State and regional governments to celebrate progress and share ideas on how to integrate natural capital values into business models.



Photo Credit: ESA

Gulf of Mexico Roundtable at the Rice University's Baker Institute for Public Policy

The Natural Capital Summit was hosted by the World Bank in Washington, DC. Featured speakers included Ellen Hughes-Cromwick (Chief Economist, U.S. Department of Commerce), Sophia Leonora-Mendelsohn (Head of Sustainability, Jet Blue Airways), Mark Gough (CEO, Natural Capital Coalition) and Margaret Davidson (Senior Advisor for Coastal Inundation and Resilience Science and Services). During the Natural Capital Summit we:

- recognized the leadership of companies that have engaged in the roundtables process
- showcased extraordinary natural capital work being done in U.S. companies
- highlighted DOC's new partnership with the Natural Capital Coalition; and
- launched the Department of Commerce Natural Capital Website.

Natural capital is the world's stocks of natural assets, which include geology, soil, air, water and living organisms. Humans derive a wide range of services, often called ecosystem services, from natural capital. These services are essential for human survival and economic activity. When businesses adopt processes and solutions that value the environment, the results can include cost savings and new commercial products and services that improve profitability, competitiveness and brand.

The roundtables explored successes and challenges companies have had accounting for natural capital impacts and dependencies. At the Gulf of Mexico event, Dow Chemical spoke about a constructed wetland it built at one of its **(Continued Page 2)**



NATURAL
CAPITAL
COALITION

Natural Capital Coalition

The [Natural Capital Coalition](#) is a global platform which brings together the many different initiatives and organizations working in natural capital under a common vision.³ Important activities include commissioning business focused research and raising awareness on business dependencies on natural capital. Prominent members include Coca-Cola Company, Walmart, The Nature Conservancy and Nestle. More can be found [here](#).

Upcoming Events

COMPASS Science Policy Roundtable. Linking ecosystem services, ecosystem-based management and the science of ocean change. February 25, 2016. New Orleans, LA.

Congressional Ocean Caucus Briefing. Ocean economy: March 3, 2016. [Here](#).

COMPASS/SESYNC Roundtable. Ecosystem Services and Federal Decision Making. March 9-10, 2016. Resources for the Future, Washington, DC.

National Natural Capital Summit (Continued)

Texas facilities in 1995 in order to meet its discharge limits under the Clean Water Act. The wetland's capital costs were a mere \$1.4 million, and its current present net value is \$280 million.¹ By creating a forum where businesses could share real life examples of how they have incorporated sustainability into business operations, the roundtables had a positive and wide-ranging impact on industry. As Richard Donn of the Cleveland Foundation stated, "[y]our presentations were some of the most powerful I've ever heard. . . I wish every corporate CEO in town could hear these presentations."

"as weather, climate and environmental factors impact business operations on a macro-scale, investors are increasingly turning their attention to companies' climate-related risk and are changing their portfolios to reflect this shift to environmentally and socially responsible business practices."

However, companies face many barriers to doing this type of work. These barriers include out-of-date legislation, underdeveloped markets, too few insurance incentives, and the absence of standardized and vetted approaches to help them make the business case for natural capital work. The roundtables provided an opportunity for the Department of Commerce to learn how it can help businesses overcome these challenges. The Department's natural capital website (commerce.gov/naturalcapital) is a first step towards meeting those needs. It provides easy access to the Department's natural capital-relevant data and resources, summarizes seminal case studies, and gives easily digestible background on what natural capital is and why companies should integrate it into their business models.

Business, economic, and environmental resilience were constant themes throughout the year's conversations. Dr. Holly Bamford underscored the connections between them during her remarks at the Northeast roundtable in September when she said, "as weather, climate and environmental factors impact business operations on a macro-scale, investors are increasingly turning their attention to companies' climate-related risk and are changing their portfolios to reflect this shift to environmentally and socially responsible business practices." For example, tech companies like Google and HP emphasized the connection between the ever-changing nature of Silicon Valley corporate campuses and the resilience of local ecosystems. Public and private sector participation in this effort have strengthened the cross-sector partnerships that support businesses as they integrate the value of nature into operations and decisions, contributing to more resilient supply chains, companies, communities, and economies.



Photo Credit: ESA

Northeast Roundtable at Columbia University's Earth Institute in New York City.

For more information on the regional roundtables, checkout all the great blogs provided by the Economics and Statistic Administration. The blogs can be found [HERE](#).



Photo Credit: ESA

Great Lakes Roundtable at the Cleveland Botanic Garden

Did you know?

The Natural Capital Coalition is providing an open convening platform to map the front runner methods, tools and gaps to inform the development and pilot testing of a harmonized framework for natural capital.⁴



Ecosystem Services Team Prepares Response

In October 2015, the Office of Management, Council on Environmental Quality, and Office of Science and Technology policy released a memorandum that directs all executive department and agencies to incorporate ecosystem services into federal decision making. NOAA's Ecosystem Services Team, a group with representation from all Line Offices, has been working on the agency's response. The draft document outlines five goals and a 3-5 year strategy. Before submitting the final document to the OMB/CEQ, the Team will circulate a draft for feedback from various NOAA entities. For more information, please contact Valerie Were (valerie.l.were@noaa.gov).

Measuring the Societal and Economic Benefit of NOAA's Research Fleet

The NOAA Office of Marine and Aviation Operations (OMAO) is working to identify the impacts NOAA research and survey ships have on NOAA products and services. The NOAA

Photo Credit: NOAA



Mayweather of the NOAA Research Fleet

Observing Systems Impact Assessment (NOSIA) II reveals that of the 111 observing Systems of Record (SoR) the NOAA Ships are the most impactful. With help from the Line Offices through the Social Sciences Committee and valuation economist, OMAO intends to measure economic and societal benefit of the fleet to better communicate their value as

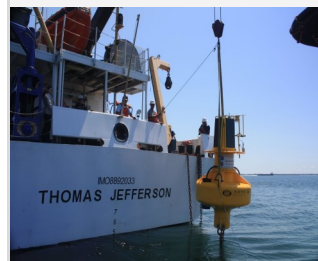


Photo Credit: NOAA

Thomas Jefferson of the NOAA Research Fleet

highly capable, critical observing systems for scientific data collection. OMAO is requesting feedback from NOAA Program offices including relevant valuation documents, studies or past research that highlight societal impact that OMAO can link to the NOAA Research vessel fleet. For more information, please contact Kristie Twining (kristie.twining@noaa.gov).

References

1. <http://www.esa.doc.gov/economic-briefings/second-natural-capital-business-roundtable-set-june-12th-cleveland>
2. <http://www.esa.doc.gov/economic-briefings/what-natural-capital-new-york-roundtable-considers-question-evokes-teddy>
3. <http://www.naturalcapitalcoalition.org/>
4. <http://www.naturalcapitalcoalition.org/projects.html>
5. http://www.ioos.noaa.gov/ioos_in_action/oceanenterprise_feb2016.pdf

Did you know?

The "ocean enterprise"—private businesses that support ocean science—includes more than 400 firms and generates \$7 billion in annual revenues.⁵

* [Nowcasting Intraseasonal Recreational Fishing Harvest with Internet Search Volume](#)
Marine Resource Economics. Carter et al. 2015

* [Evidence of Climate-Driven Ecosystem Reorganization in the Gulf of Mexico](#)
Global Change Biology. Karnauskas et al. 2015

* [Building Framework for Better Use of Societal Applications of Earth Observations from Space](#)
Earth and Space Science News. Hossain et al. 2016

* [Economist keep saying we should put a price on nature. Now they've finally done it.](#) Harvey, C. Washington Post, 4 Feb. 2016.

* [Resilience vs Adaption: Framing and Action](#)
Climate Risk Management. Wong-Parodi et al. 2015.

* [Intpreting Climate Data Visualizations to Inform Adaption Decisions](#)
Climate Risk Management. Lorenz et al. 2015

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